

facsimile; Producer will also send a copy of this notice to the producer of the pigs, or such other producer of the pigs as hereafter notify Producer. Such notice shall detail the weight, condition, quality and grade of the pigs and the basis for any designation by Producer as to substandard or reject; and

- b) Notice shall be given to each party at the following facsimile numbers:

Sow Unit:

- c) Producer's failure to comply with these provisions shall constitute irrevocable acceptance of the pigs and bind it to pay the contract price for the pigs delivered.

6. **BASIS FOR REJECTION.** For the purpose of determining whether Producer has a reasonable basis for rejecting any of the pigs shipped pursuant to this agreement, there shall be sufficient reason for rejection if the pigs have failed to pass any of the inspections specified in Paragraph 7 of this Agreement.

7. **WARRANTIES.**

- a) warrants that pigs shall be free from any and all liens and encumbrances except for the lien in favor of its primary lender, and upon payment to and its lender, such lien shall be released and further expressly warrants it will defend title to the pigs and indemnify Producer and from and against any and all loss or damage on account of such liens, encumbrances, other defects in title; and
- b) further warrants the pigs shall be in good and merchantable condition prior to delivery at the above specified time and place.
- c) further warrants that all weanling pigs will be of acceptable quality. Acceptable quality shall mean any weanling pig which does not have any of the following characteristics, as such terms are generally used in the industry:
- i) Uncastrated or recently castrated male pigs and/or any weanling pig with undocked tails.
 - ii) Any umbilical or scrotal hernia.
 - iii) Any active, suspected, confirmed or subclinical case of atrophic rhinitis evidenced by a twisted or deformed snout with or without epistaxis (bleeding).